

**SB 6127-S - DIGEST**

(DIGEST OF PROPOSED 1ST SUBSTITUTE)

Directs the commission to, with the involvement of the department, conduct a market survey to gather information on ferry users to help inform level of service, operational, pricing, planning, and investment decisions. The survey must include, but is not limited to: (1) Recreational use;

(2) Vehicle customer use;

(3) Freight and goods movement demand; and

(4) Reactions to potential operational and pricing strategies described under this act and RCW 47.60.290.

Requires the market survey to be updated at least every two years.

Requires the department to develop, and the commission to review, operational strategies to ensure existing assets are fully utilized and to guide future investment decisions.

Requires the department to annually review fares and pricing strategies applicable to the operation of the Washington state ferries.

Provides that fares and pricing strategies must be adopted by rule, under chapter 34.05 RCW, by the commission, according to the following schedule: (1) Each year the department shall provide the commission a report of its review of fares and pricing strategies, with recommendations for the revision of fares for the ensuing year;

(2) By October 1st of each year, beginning in 2007, the commission shall adopt as a rule, a schedule of fares for the ensuing year.

Requires the department to maintain a life-cycle cost model on capital assets such that: (1) Available industry standards are used for estimated life;

(2) Standard estimated life is adjusted for asset condition when inspections are made; and

(3) Systems and structures that do not have standard life cycles are not included.

Requires the joint legislative audit and review committee to assess and report as follows: (1) Audit the implementation of the cost allocation methodology evaluated under chapter . . . (House Bill No. 1094), Laws of 2007, as it exists on the effective date of this act, assessing whether actual costs are allocated consistently with the methodology, whether there are sufficient internal controls to ensure proper allocation, and the adequacy of staff training; and

(2) Review the assignment of preservation costs and improvement costs for fiscal year 2009 to determine whether: (a) the costs are capital costs; (b) the costs meet the statutory requirements for preservation activities and for

improvement activities; and (c) improvement costs are within the scope of legislative appropriations.

Provides that the report on the evaluations in this act is due by January 31, 2010.

Repeals RCW 47.60.150 and 47.60.326.